0004

Canyon Fuel Company, LLC
Soldier / Dugout Canyon Mines
P.O. Box 1029
Wellington, Utah 84542
435/637-6360 Fax: 435/636-2897

January 10, 2001

Coal Regulatory Program
Attn.: Daron Haddock
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114

Copy
FAX DFO
[redacted]

Re: Dugout Canyon Mine, ACT/007/039
4th Quarter 2000 Water Monitoring

Dear Mr. Haddock:

This letter is intended as a follow-up to our telephone conversation yesterday regarding the laboratory analysis of our DC-1 surface water sample site.

On January 9th I received the analytical results for our 4th quarter monitoring from ACZ Laboratories, Inc. Upon review of this information I discovered that they had failed to analyze our DC-1 sample for oil & grease as required. Upon further review of the ACZ information, their "sample receipt" form clearly states that they did not receive an oil & grease sample bottle for DC-1 and "the client was not contacted" concerning this discrepancy. This was disturbing to me since I knew for a fact that the oil and grease sample bottle had in fact been included in the cooler shipped to ACZ. Further checking here at the mine revealed that the individual that prepared the sample bottles for shipment had taken extra precautions to protect the glass oil and grease bottle from breakage. In addition to the normal bubble wrap, this bottle was placed in a separate trash bag and packed with shredded paper. Outwardly, this bag would have appeared to be packing material only. Given this information, it appears that ACZ may have inadvertently discarded our sample bottle as being excess packing material.

The bottom line is that due to circumstances beyond our control, the 4th quarter 2000 results for sample site DC-1 did not include an oil and grease analysis. For your information, a separate oil and grease sample of DC-1 was taken and sent for analysis today. These results will be submitted to DOGM and will be in addition to the normal requirements of our operational monitoring program.

Should you have any questions or comments concerning this information, please contact me at 435-636-2872.

Sincerely,
SOLDIER / DUGOUT CANYON MINES

David G. Spillman

David G. Spillman, P.E.
Technical Services Manager

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DIVISION OF
OIL, GAS AND MINING

enclosures

cc: Chris Hansen, Skyline
DOGM, Price Field Office
Central Files

010110L.doc

ACZ Laboratories, Inc.

2773 Downhill Drive Steamboat Springs, CO 80487 (800) 334-5493

Sample Receipt

Soldier Creek Coal Company
Project ID:

ACZ Project ID: L30243
Date Received: 12/21/00
Received By: DALE

Receipt Verification

	YES	NO	NA
1) Does this project require special handling procedures such as CLP protocol?			√
2) Are the custody seals on the cooler intact?	√		
3) Are the custody seals on the sample containers intact?			√
4) Is there a Chain of Custody or other directive shipping papers present?	√		
5) Is the Chain of Custody complete?	√		
6) Is the Chain of Custody in agreement with the samples received?		√	
7) Is there enough sample for all requested analyses?	√		
8) Are all samples within holding times for requested analyses?	√		
9) Were all sample containers received intact?	√		
10) Are the temperature blanks present?	√		
11) Are the trip blanks (VOA and/or Cyanide) present?			√
12) Are samples requiring no headspace, headspace free?			√
13) Do the samples that require a Foreign Soils Permit have one?			√

Exceptions: If you answered no to any of the above questions, please describe

no OG sx container rec'd for site DC-1 The following items were not in agreement: number of samples, number of containers

Contact (For any discrepancies, the client must be contacted)

The client was not contacted.

Shipping Containers

Cooler Id		Temp (°C)	Rad (µR/hr)
acz		0.4	13

Notes

ACZ

Analytical Results

ACZ Laboratories, Inc.
2773 Downhill Drive
Steamboat Springs, CO 80487
(800) 334-5493

Lab Sample ID: ***L30243-01***
Client Sample ID: *DC-1*
Client Project ID:
ACZ Report ID: *RG137147*

Soldier Creek Coal Company
P.O. Box 1029
Wellington, UT 84542
Dave Spillman

Date Sampled: *12/19/2000 12:45:00 PM*
Date Received: *12/21/2000*
Date Reported: *01/03/2001*

Sample Matrix: *Ground Water*

Metals Analysis

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Calcium, dissolved	M200.7 ICP	61.7		mg/L	0.2	1	12/27/2000	kr
Iron, dissolved	M200.7 ICP	0.01	B	mg/L	0.01	0.05	12/27/2000	kr
Iron, total	M200.7 ICP	0.07		mg/L	0.01	0.05	1/2/2001	ct
Magnesium, dissolved	M200.7 ICP	45.0		mg/L	0.2	1	12/27/2000	kr
Manganese, dissolved	M200.7 ICP		U	mg/L	0.005	0.03	12/27/2000	kr
Manganese, total	M200.7 ICP		U	mg/L	0.005	0.03	1/2/2001	ct
Potassium, dissolved	M200.7 ICP	1.8		mg/L	0.3	1	12/27/2000	kr
Sodium, dissolved	M200.7 ICP	18.5		mg/L	0.3	1	12/27/2000	kr

Metals Prep

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Total Hot Plate Digestion	M200.2 ICP						12/29/2000	emr

Wet Chemistry

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Alkalinity as CaCO3	M2320B							
Bicarbonate as CaCO3		293		mg/L	2	10	12/22/2000	lc
Carbonate as CaCO3			U	mg/L	2	10	12/22/2000	lc
Hydroxide as CaCO3			U	mg/L	2	10	12/22/2000	lc
Total Alkalinity		293		mg/L	2	10	12/22/2000	lc
Cation-Anion Balance	Calculation							
Cation-Anion Balance		-1.3		%			1/3/2001	calc
Sum of Anions		7.8		meq/L	0.1	0.5	1/3/2001	calc
Sum of Cations		7.6		meq/L	0.1	0.5	1/3/2001	calc
Chloride	M325.2 - Colorimetric (RFA)	5		mg/L	1	5	1/2/2001	steve
Residue, Filterable (TDS) @180C	M160.1 - Gravimetric	380		mg/L	10	20	12/22/2000	kmc
Residue, Non-Filterable (TSS) @105C	M160.2 - Gravimetric		U	mg/L	5	20	12/21/2000	kmc
Sodium Absorption Ratio in Water	USGS - I1738-78	0.44			0.03	0.15	1/3/2001	calc
Sulfate	M375.3 - Gravimetric	90		mg/L	10	20	12/27/2000	kmc
TDS (calculated)	Calculation	398		mg/L	10	50	1/3/2001	calc
TDS (ratio - measured/calculated)	Calculation	0.95					1/3/2001	calc

Inorganic Qualifiers (based on EPA CLP 3/90)

U = Analyte was analyzed for but not detected at the indicated MDL

B = Analyte concentration detected at a value between MDL and PQL

PQL = Practical Quantitation Limit

Ralph Poulsen (VP) / Scott Habermehl (PM)